

JUN 17 1996

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

DEPT. OF INSURANCE
BY CWB

IN THE MATTER OF:

THE APPLICATION FOR AN
INSURANCE LICENSE SUBMITTED BY
PATRICIA LUYCKX KROTENBERG,

APPLICANT.

Docket No. 96A-096

Consent Order

Patricia Luyckx Krotenberg ("Ms. Krotenberg"), filed an application (the "Application") with the Director of the Arizona Department of Insurance (the "Director") for the issuance of a license to act as an insurance agent in the state of Arizona. Ms. Krotenberg wishes to resolve this matter without formal adjudicative proceedings and consents to the entry of this order.

After reviewing the filings, correspondence, and information provided to the Arizona Department of Insurance (the "Department"), the Director makes the following findings of fact and conclusions of law and issues the following order:

1. Ms. Krotenberg filed the Application with the Department pursuant to A.R.S. §§20-282 et seq.

2. Question 3 of the Application asks:

"Have you ever been arrested, questioned, served a criminal summons, taken into custody, charged with, tried for, or ever been the subject of an investigation concerning the violation of any felony, misdemeanor or are any charges now pending against you? (Include all incidents - no matter how minor the infraction or whether guilty or not, whether expunged, set aside, reversed or dismissed. Exclude only minor traffic violations which resulted in a penalty not exceeding \$100.00 or any juvenile proceedings."

Ms. Krotenberg answered "No" to this question.

1 3. During the background investigation conducted following the receipt of the Application,
2 the Department learned that Ms. Krotenberg had been arrested for an alleged offense on or about April
3 26, 1990, but that all charges relating to this arrest were dropped and that Ms. Krotenberg was not
4 prosecuted for the alleged offense.

5 4. In response to a letter sent by the Department, Ms. Krotenberg offered the following
6 comments and explanation in a February 21, 1996 letter addressed to the Department:

7 I apologize for not bringing the matter to your attention earlier. Because I was wrongly
8 charged for the matter in question, I did not know I had any type of record. I did not realize this is
9 part of my permanent record. I was informed that because this is part of my permanent record I will
10 always have to document the incident.

11 . . . There were no charges filed against me and I was cleared of the entire incidence.
12 Because there were no charges filed against me, I never went to court. . . .

13 Once again I apologize for not reporting the incident earlier. I hope this will not prevent me
14 from getting my insurance license that I so greatly want. I know now I must report this incident on
15 every application.

16 5. Arizona law obligates the Director to conduct an investigation into the background
17 and character of individuals seeking a license to act as an insurance agent in this state, including
18 information relating to the applicant's "identity, personal history, business record, experience in
19 insurance, purposes for which the license is to be used and other pertinent facts the director
20 requires." A.R.S. §20-291(A).

21 6. The Legislature has determined that "[w]ilful misrepresentation of any fact required to
22 be disclosed in any such application or accompanying statement is a violation of this title." A.R.S.
23 §20-291(G).

24 7. The Legislature has further determined that "[t]he director may refuse to accept any
25 application or issue any license if he finds . . . [m]aterial misrepresentation or fraud in the application
26 for, or attempt to obtain, any insurance license. A.R.S. §20-290(B)(1).

27 NOW, THEREFORE, I, CHRIS HERSTAM, the Director of Insurance, do order that:
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1 A. The director has the obligation to seek information from license applicants, including Ms.
2 Krotenberg, relating to her "identity, personal history, business record, experience in insurance, purposes
3 for which the license is to be used and other pertinent facts" including information relating to whether
4 Ms. Krotenberg had a history of arrest or conviction.

5 B. Ms. Krotenberg failed to disclose information relating to her April 26, 1990 arrest in the
6 Application, despite her obligation to truthfully disclose the information determined by statute to be
7 relevant to the licensing process.

8 C. Ms. Krotenberg shall file an amended application with the Department in which she shall
9 disclose all required information, including information relating to her April 26, 1990 arrest and the
10 disposition of the arrest.

11 D. Upon receipt of the completed Amended Application, Ms. Krotenberg will be processed
12 and a determination made concerning the qualifications of Ms. Krotenberg to hold a license to transact
13 insurance business as a licensed agent.

14 DATED this 17th day of June, 1996

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18 CHRIS HERSTAM
19 Director of Insurance

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21 CONSENT TO ORDER

22 1. Patricia Luyckx Krotenberg ("Ms. Krotenberg") has reviewed the attached Consent Order.

23 2. Ms. Krotenberg is aware of its right to a hearing at which hearing it may be represented by
24 counsel, present evidence and cross-examine witnesses. Ms. Krotenberg has irrevocably waived its right
25 both to demand a public hearing and to seek judicial review of this Consent Order.

26 3. Ms. Krotenberg admits the jurisdiction of the Director of Insurance, State of Arizona, and
27 consents to the entry of this Consent Order.
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1 4. Ms. Krotenberg states that no promises of any kind or nature whatsoever were made to
2 her to induce her to enter into this Consent Order and that she has entered into this Consent Order
3 voluntarily.
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9 Copy of the foregoing served by mail/e-mail this
10 17th day of June, 1996 to:

11 Chris Herstam, Director
12 Charles Cohen, Deputy Director
13 Gregory Harris, Executive Assistant Director
14 Maureen Catalioto, Supervisor
2910 North 44th Street, Suite 210
Phoenix, Arizona 85018

15 Patricia Luyckx Krotenberg
16 3743 E. Calle Guaymas
17 Tucson, AZ 85716

Patricia Krotenberg 6-10-96

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19 *Currey W. Burton*
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